



*United States Attorney  
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE  
MARVIN SMILON, HERBERT HADAD,  
MICHAEL KULSTAD  
PUBLIC INFORMATION OFFICE  
(212) 637-2600

**U.S. SENTENCES RAY ARGENTINA, OTHERS IN RACKETEERING  
ENTERPRISE ENGAGED IN MORTGAGE FRAUD, EXTORTIONS AND DRUGS**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that RAY ARGENTINA was sentenced wednesday to 27 years' imprisonment for his role as the the head of a racketeering enterprise that was engaged in a massive mortgage fraud scheme, extortions, drug dealing, and other crimes from late 1997 through March 2000.

ARGENTINA, as well as co-defendants ROBERT BRASCO and DAVID RANKINS, were convicted of various crimes on September 22, 2002, after a five-week trial in front of United States District Judge JOHN S. MARTIN. ARGENTINA, a long-time soldier in the Luchese La Cosa Nostra organized crime family, was convicted of racketeering conspiracy, fraud conspiracy and cocaine trafficking charges. BRASCO was convicted of racketeering conspiracy for his role in two extortions, and BRASCO was sentenced to a term of imprisonment of 97 months. RANKINS, a non-practicing attorney, was convicted of fraud conspiracy and mail fraud, wire fraud, bank fraud and fraud against the United States Department of

Housing and Urban Development ("HUD"). RANKINS has not yet been sentenced.

In addition, the following co-defendants were convicted of the following crimes upon guilty pleas, and received the following sentences:

<u>DEFENDANT</u>	<u>CONVICTIONS</u>	<u>SENTENCE</u>
1. LOUIS GAMPERO, a/k/a "Louie Jet"	RACKETEERING AND RACKETEERING CONSPIRACY	97 MONTHS
2. KIMBERLEE CANNIZZARO	RACKETEERING AND BANK FRAUD	A YEAR AND A DAY
3. FRANK ROMEO	FRAUD CONSPIRACY	15 MONTHS
4. MICHAEL PALMIERI	FRAUD CONSPIRACY	A YEAR AND A DAY
5. VINNY KNOTT	FRAUD CONSPIRACY	TWO YEARS OF PROBATION

The proof at the trial of ARGENTINA, BRASCO and RANKINS showed that the Argentina Enterprise's mortgage fraud scheme typically involved fraudulent "flip-sale" financing transactions. In these transactions, properties were purchased by the Enterprise at fair market value and then quickly re-sold, or "flipped," for a higher, inflated value, to end users who were in collusion with the Enterprise. The Enterprise, the proof showed, controlled the appraisers, the title agent, and the buyer and seller of the second half of the flip sales, and the Enterprise arranged for false appraisal reports, fake down payments, and other false information to be sent to victim mortgage banks.

The Enterprise also committed extortions, the proof showed, to support the Enterprise's mortgage fraud scheme and to enrich the Enterprise. The victims of the extortions were, according to the proof at trial, two construction workers, one mortgage broker and apprentice appraiser, and a relative of an Enterprise member.

The Enterprise also engaged in kilogram quantity sales of cocaine, and used the Enterprise's fraudulent flip sale scheme to acquire a house that was utilized by the Enterprise's principal cocaine trafficker. At a sentencing hearing, Judge MARTIN found that Argentina distributed between 15 and 50 kilograms of cocaine.

The proof at trial also showed that the Enterprise facilitated all of its varied criminal activities, and kept victims and citizens in fear of its leaders, its members and its associates, by identifying the Argentina Enterprise with organized crime.

The proof at trial showed the following about the co-defendants who pled guilty: GAMPERO helped run the various real estate companies involved in the Argentina Enterprise's mortgage fraud scheme, and he committed numerous extortions and assaults on behalf of the Enterprise; CANNIZZARO, an agent to national title insurance companies, helped run the Argentina Enterprise's

mortgage fraud scheme, for example, by supplying the victim mortgage banks with false information about the filing of deeds and mortgages and supplying them with false documentation for fake down payment checks; ROMEO was an investor in several Argentina Enterprise flip-sale transactions; PALMIERI was a HUD-approved real estate appraiser who was often utilized by the Argentina Enterprise; and KNOTT was a loan processor for the Argentina Enterprise.

Mr. COMEY praised the outstanding efforts of the law enforcement agencies involved, and particularly commended the efforts of the FBI and NYPD task force that is responsible for investigating the criminal activities of the Luchese Family. Mr. COMEY also thanked the District Attorney's Office for Suffolk County, New York, for its assistance in the prosecution.

Assistant United States Attorneys JONATHAN ETRA and LISA BARONI are in charge of the prosecution.

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